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**REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES  
(COGENERATION AND SMALL POWER PRODUCERS)**

In order to provide for the safety of customers, utility personnel, and others, and to assure reliable electric service consistent with the requirements of the Public Utility Regulatory Policies Act of 1978 and the Michigan Public Service Commission's Order in Case No. U-6798, the following requirements are established for connection and/or operation of customer generation facilities in parallel with the Cooperatives distribution system:

Availability

These requirements include all customer generation facilities under 100 kW. Customer generation facilities of 100 kW and over will be handled on an individual basis.

If the customer does not meet all of the requirements listed below the Cooperative may require termination of parallel operation and the customer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the customer's generation facility. These requirements apply to both existing and proposed installations and are subject to change with approval of the Michigan Public Service Commission from time to time.

Safety and Reliability Requirements

The customer shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the customer's power sources and a site plan.

The customer's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the customer's generator and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the customer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and or current deviate from normal utility standards. The customer shall be liable if the customer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

(Continued on Sheet No. D-3.01)

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REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES

(Continued from Sheet No. D.3.00)

The customer shall advise the Cooperative prior to making any revisions to the customer's generation facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

Should the parallel operation of the customer's generation facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or other customers' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Reimbursement of Costs

The customer shall pay for all costs associated with any addition to or alteration of the Cooperative's equipment required for metering and for the safe and reliable operation of the customer's generating equipment in parallel with the Cooperative's system. The customer shall also pay for costs of changes required due to safety or adverse effects on other customers and/or on the Cooperative caused by the connection and/or operation of the customer's generation facility.

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting customer and the customer shall provide proof of liability coverage as may be required by the Cooperative.

Sales to Cooperative

Customers wishing to sell power must arrange to do so with the generation and transmission Cooperative which provides all of the Cooperative's power requirements. Rates for such sales will be subject to the G & T's tariff provisions. Customers selling power to the G & T will be charged 1 mill per kWh sold to cover the Cooperative administrative costs.

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**LARGE POWER SERVICE RATE - CHOICE  
SCHEDULE CD-C**

Availability

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Large Power Service Rate, Schedule CD. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

- A. The Member-Consumer must have a Maximum Demand of at least one (1) MW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule CD may achieve the one (1) MW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis. No more than 30% of the total number of Member-Consumers of at least one (1) MW may be eligible for service under this tariff.
- B. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
- D. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service

Three-phase, 60 hertz, at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase unless otherwise specified in writing by the Cooperative.

Billing Rate

Monthly Availability Charge:                      \$78.50 per month

or

Annual Availability Charge:                      \$942.00 per year

(Continued on Sheet No. D-20.01)

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**LARGE POWER SERVICE RATE - CHOICE**  
**SCHEDULE CD-C (Contd)**  
**(Continued from Sheet No. D-20.00)**

Demand Charge: \$4.10 per kW

Variable Distribution Charge: \$.0100 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge.

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member-Consumer for any period of fifteen (15) consecutive minutes during the month for which billing is rendered, as indicated or recorded by a demand meter.

Minimum Charge

The minimum charge shall not be less than the Monthly Availability Charge plus the Demand Charge times 200 kW, plus the Energy Optimization Surcharge amount. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the Member-Consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule CD-Choice rate applied to the Member-Consumer's monthly consumption.

Terms of Payment

- A. A one-time late payment charge of five percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Monthly bills are due and payable on or before the due date listed on the bill.

(Continued on Sheet No. D-20.02)

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**LARGE POWER SERVICE RATE - CHOICE**  
**SCHEDULE CD-C (Contd)**  
**(Continued from Sheet No. D-20.01)**

- E. Annual bills are due and payable thirty days from the date the bill is rendered.
- F. The annual prepayment shall be the larger of the minimum billing or one-half of the previous year's billing.
- G. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member, and the third party.

Primary Service Discount

A discount of \$0.15/kVA of required transformer capacity shall be applied to the bill when service is taken by the Member-Consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0 percent shall be applied to the bill.

Tax Adjustment

- A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other customers from being compelled to share such local increases or decreases.
- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

(Continued on Sheet No. D-20.03)

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**LARGE POWER SERVICE RATE - CHOICE**  
**SCHEDULE CD-C (Contd)**  
**(Continued from Sheet No. D-20.02)**

Metering

Subject to the terms and conditions of the *Retail Access Service Tariff*, the Member-Consumer shall be responsible for any associated communication systems such as telephone lines or other related equipment between the Cooperative, the Member-Consumer, and the third party.

Michigan State Sales Tax

Michigan State Sales Tax shall be added on all bills, where applicable.

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member-Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member-Consumer and any third party.

Rules and Regulations

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's *Retail Access Service Tariff*.

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**PRIMARY SERVICE RATE - CHOICE  
SCHEDULE PSDS-C**

Availability:

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Primary Service Rate, Schedule PSDS. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

- A. The Member-Consumer must have a Maximum Demand of at least one (1) MW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule CD or Schedule PSDS may achieve the one (1) MW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
- B. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
- D. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Billing Rate

Billing Demand Charge:	\$10.90/kW
Variable Distribution Charge:	\$.0000/kWh
Energy Optimization Surcharge:	

This rate is subject to the Energy Optimization Surcharge.

(Continued on Sheet No. D-21.01)

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**PRIMARY SERVICE RATE - CHOICE  
SCHEDULE PSDS-C (Contd)  
(Continued from Sheet No. D-21.00)**

Minimum Charge

The minimum charge shall not be less than the Billing Demand Charge times one (1) MW, plus the Energy Optimization Surcharge amount. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Billing Demand

The billing demand shall be the average kilowatts (kW) load during the fifteen (15) minute period of maximum use during the billing month. Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require. The minimum monthly billing demand shall be the greater of the metered demand, the contract minimum demand, or one (1) MW for Member-Consumers served under this rate.

Power Factor

The above rate charges are predicated upon the Member-Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member-Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member-Consumer's actual power factor.

Terms of Payment

- A. A one-time late payment charge of five percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Monthly bills are due and payable on or before the due date listed on the bill.
- C. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member, and the third party.

(Continued on Sheet No. D-21.02)



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**PRIMARY SERVICE RATE - CHOICE**  
**SCHEDULE PSDS-C (Contd)**  
**(Continued from Sheet No. D-21.01)**

Tax Adjustment

- A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other customers from being compelled to share such local increases or decreases.
- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Metering

Subject to the terms and conditions of the *Retail Access Service Tariff*, the Member shall be responsible for any associated communication systems such as telephone line, or other related equipment between the Cooperative, the Member-Consumer, and the third party.

Michigan State Sales Tax

Michigan State Sales Tax shall be added on all bills, where applicable.

(Continued on Sheet No. D-21.03)

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**PRIMARY SERVICE RATE - CHOICE**  
**SCHEDULE PSDS-C (Contd)**  
**(Continued from Sheet No. D-21.02)**

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member- Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member Consumer and any third party.

Rules and Regulations:

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's *Retail Access Service Tariff*.

SHEETS D-22.00-22.02  
HAVE BEEN REPLACED BY  
SCHEDULES BASA and DRE